

CENTRAL INTELLIGENCE AGENCY

*Memorandum*



THE SITUATION IN VIETNAM

Information as of 1600  
8 September 1966

State Department review  
completed

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HIGHLIGHTS

In a wide-ranging discussion with newsmen on 8 September Premier Ky discussed the possibility of his future candidacy for South Vietnam's presidency, expressed his belief in a 60-percent voter turnout in the 11 September election, and reiterated previous remarks on the necessity of an invasion of North Vietnam.

I. The Military Situation in South Vietnam:

The only contact reported between allied and Communist forces today occurred in Phu Yen Province when US troops participating in Operation SEWARD killed seven Viet Cong (Para. 1). US Marines and South Vietnamese soldiers initiated Operation FRESNO/LIEN KET 58 today on both sides of Route 1 in Quang Ngai Province (Para. 2). Two new US Army operations --SEASIDE and BANGOR--began today in Binh Duong Province north of Saigon (Paras. 3-4). US Marines begin Operation PAWNEE II in the area of Thua Thien Province where 300 Viet Cong are believed operating (Para. 5). Two Australian battalions began Operation VAUCLUSE today in Phuoc Tuy Province (Para. 6).

II. Political Developments in South Vietnam:

In a wide-ranging discussion with newsmen today, Premier Ky qualified his unavailability as a presidential candidate for next year's elected government, expressed confidence regarding the 11 September election, and reiterated his remarks on the necessity for an invasion of North Vietnam (Paras. 1-3). The government has arrested two prominent French businessmen, reportedly for financing Viet Cong antielection activities (Paras. 4-5). Scattered reports of Viet Cong terrorism continue to be received (Para. 6). In Hue, however, police have arrested a number of Viet Cong, one of whom was involved in a recent antielection bombing which injured 26 persons (Para. 7). Approximately 200 monks and nuns have begun a hunger strike in Saigon protesting the election in accordance with a Buddhist Institute announcement on 6 September (Para. 8).

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III. Military Developments in North Vietnam:  
There is nothing of significance to report.

IV. Other Communist Military Developments:  
There is nothing of significance to report.

V. Communist Political Developments: An Indian report on the DRV position on negotiations is discussed (Paras. 1-2).

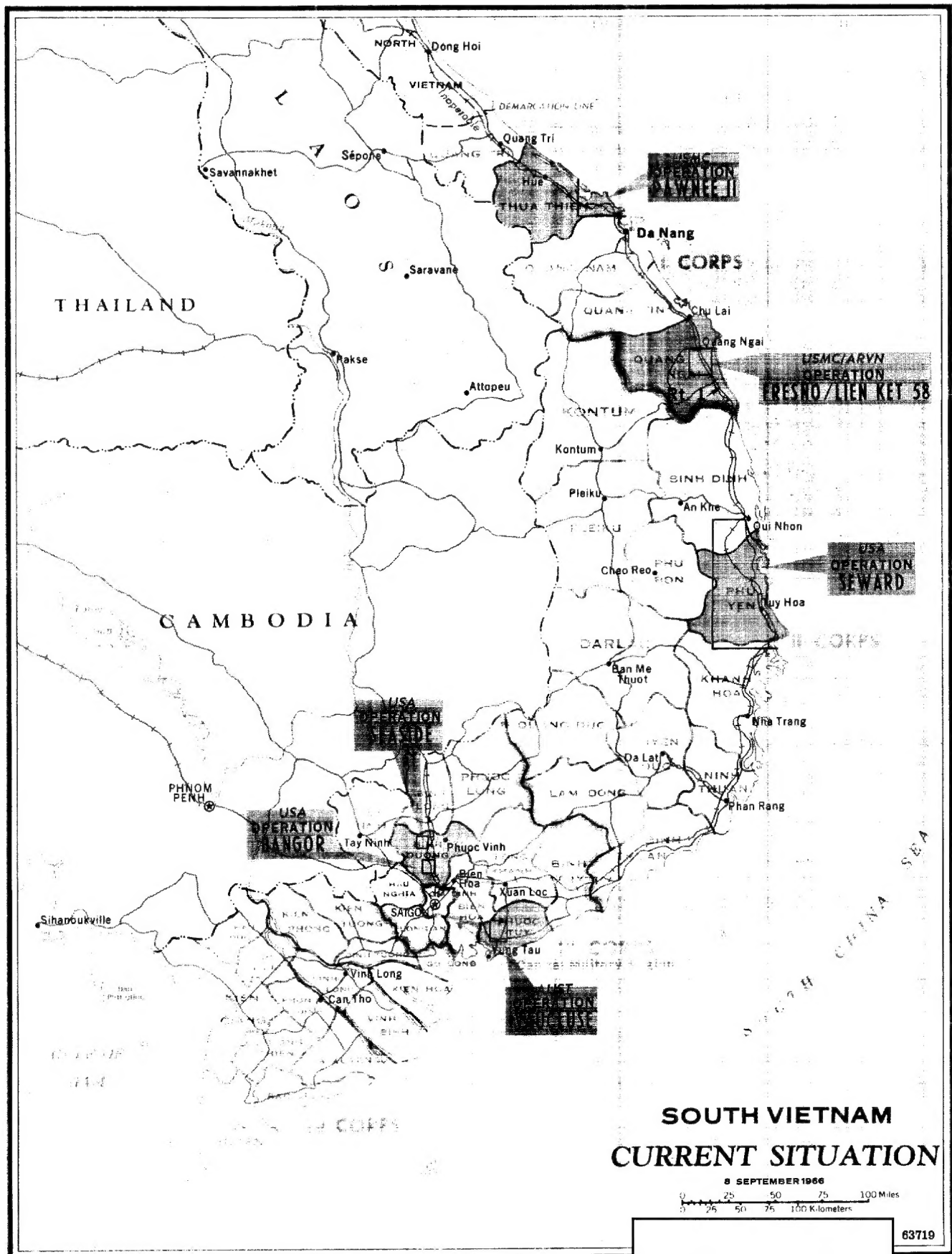
VI. Other Major Aspects: A Cambodian Foreign Ministry official has provided a copy of the draft accord which Phnom Penh is using in current border negotiations with the Viet Cong (Paras. 1-3).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Light contact was reported between Communist troops and US forces participating in the multi-battalion search-and-destroy Operation SEWARD in coastal Phu Yen Province early on 8 September (Vietnam time). There were no American casualties; however, seven Viet Cong were killed and six captured.

2. One battalion of US Marines began Operation FRESNO today in Quang Ngai Province. This search-and-destroy operation will be conducted to the west of Route 1 in conjunction with South Vietnamese Operation LIEN KET 58 which will take place to the east of the same highway. Three enemy battalions with an estimated troop strength of 1,000 men are reported to be in the area.

3. One US Army battalion began Operation SEASIDE today in an area of Binh Duong Province about 15 miles north of Saigon. There has been no report of contact with enemy forces.

4. Operation BANGOR, a one-battalion search-and-destroy operation, began on 6 September in Binh Duong Province about 18 miles north of Saigon. Five Americans have been wounded and four Viet Cong killed to date.

5. Operation PAWNEE II, a continuation of the search-and-destroy Operation PAWNEE, was initiated today by one battalion of US Marines. This operation is in Thua Thien Province about 20 miles northwest of Da Nang. The enemy has an estimated 300-man force in the area.

6. Two battalions of the 1st Australian Task Force began Operation VAUCLUSE today. This search-and-destroy operation is being conducted in Phuoc Tuy Province about 35 miles southeast of Saigon.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. In a wide-ranging discussion with newsmen today, Premier Ky qualified his unavailability as a presidential candidate for next year's elected government. Under prodding from journalists, Ky stated that the lack of any other qualified candidate would pose a "dilemma" for him, and indicated that his "destiny" might force him to accept the nomination. Chief of State Thieu, whom Ky had previously mentioned as a likely candidate, recently declared that he did not intend to run. Ky observed that November 1967 had been mentioned as a tentative date for national elections in a recent Directorate meeting, but also offered the opinion that they could be held earlier.

2. Regarding the constitutional assembly elections on 11 September, Ky said he expected a voter turnout of 60 percent, which he would consider a success for the government. He remarked that he did not think that Viet Cong terrorism would keep people from voting.

3. Ky also reiterated his previous remarks on the necessity of an invasion of North Vietnam, but stated that no such plans had yet been drawn up. Other press accounts reported that Ky announced his acceptance of an invitation from a US press association to visit southern California on 11 November. Ky held his discussion today in Tay Ninh Province on a visit to the headquarters of the Cao Dai sect.

Two French Businessmen Arrested for Antielection Activities

4. The government's military security service arrested two of the most prominent members of the French business community in Saigon on the afternoon of 6 September. According to the US Embassy, the French consul general has protested to Foreign Minister Tran Van Do the arrest of Phillipe Grandjean and Abel Goxe, the directors of a brewery and soft drink distributing company and an import-export firm, respectively.

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5. No reason for the arrests have officially been disclosed. Late press reports, however, quote Premier Ky as charging the two men with having supplied US \$500,000 to an organization which is trying to sabotage the constitutional assembly elections. Ky reportedly remarked that if the two were guilty, their sentences could range from deportation to execution. Deputy Premier Co was also reported by the press to have said that the two men had paid money to the Viet Cong some months ago.

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#### Viet Cong Antielection Terror Continues

6. According to the press, at least four explosions injured 12 Vietnamese in Saigon today. Elsewhere, the Viet Cong reportedly killed a village chief and several other civilians in the delta area about 100 miles south of Saigon. US military authorities also reported that the Viet Cong established roadblocks today on two highways in Lam Dong Province, stopping traffic and collecting voter identity cards.

7. Meanwhile, police in Hue have arrested 11 Viet Cong, one of whom was caught with a large supply of medicines and a number of hand grenades, ammunition clips, and documents. The arrests stemmed from information supplied by a 16-year-old member of the Viet Cong who was captured at the scene of a recent terrorist incident which injured some 26 persons in the city.

#### Buddhist Developments

8. The US Embassy reports that as of 6 p.m. this evening (Vietnam time), some 200 monks and nuns had gathered in the compound of the An Quang Pagoda in Saigon to conduct a hunger strike protesting the election and to pray for Tri Quang in accordance with the Buddhist Institute's announcement on 6 September.

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[REDACTED] Some 200 quiet onlookers, mostly women and children, were also reported to have gathered outside the compound of the pagoda, which serves as the temporary headquarters of the Buddhist Institute. The 6 September Buddhist press conference which announced this campaign has not been reported in the Saigon press.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. According to an Indian diplomat in Moscow, a DRV official has stated that North Vietnam is willing to start peace negotiations if the US would (1) unconditionally and permanently cease bombing the DRV and (2) give "public understanding of a withdrawal of troops according to a definite timetable." The Indian diplomat gave this information to the Australian ambassador and asserted that it derived from a conversation between the Indian consul general in Hanoi and an unnamed high-ranking DRV official.

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VI. OTHER MAJOR ASPECTS

1. A Cambodian Foreign Ministry official has provided a copy of the draft accord which Phnom Penh is using in current border negotiations with the Viet Cong. The terms of the draft agreement, which Sihanouk has already alluded to in public statements, is contained in three articles. The first two call for recognition of the "present frontiers...as they were assigned at the time of the Paris accords of 1954" and mutual respect for the independence, national sovereignty, and "in particular" political and social institutions. The third article, which has been contested by the Communists, calls on the Viet Cong to recognize the special status of the ethnic Khmer community in South Vietnam.

2. Sihanouk has still not made clear his intentions with respect to signing an agreement with the Viet Cong. In a mid-August press conference he said that a border agreement would "probably" be signed before the end of the year. A Cambodian diplomat has reported, however, that beside the ethnic Khmer issue, technical aspects of defining the border were proving troublesome. He claimed that the North Vietnamese were pushing for a rider to the agreement stating that the boundary will be subject to further examination.

3. In a 4 September press conference, Sihanouk claimed that the Viet Cong had recognized Cambodia's border in "statements" and would therefore be accorded "official representation" before an agreement was formally signed. It still seems doubtful, however, that Sihanouk will be willing to risk signing an accord with the Vietnamese Communists that still left open the question of border alignment.

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